

SHASTA COUNTY ECONOMIC FORECAST

Shasta County is one of the northernmost counties in California. The largest city and the county seat of Shasta is Redding with 91,000 residents. Recreation is the principal economic activity in the county with Shasta Lake and Lassen Peak being the main visitor attractions. Shasta County has a population of 183,928 people and 59,967 wage and salary jobs. The per capita income in Shasta County is \$33,167, and the average salary per worker is \$42,349.

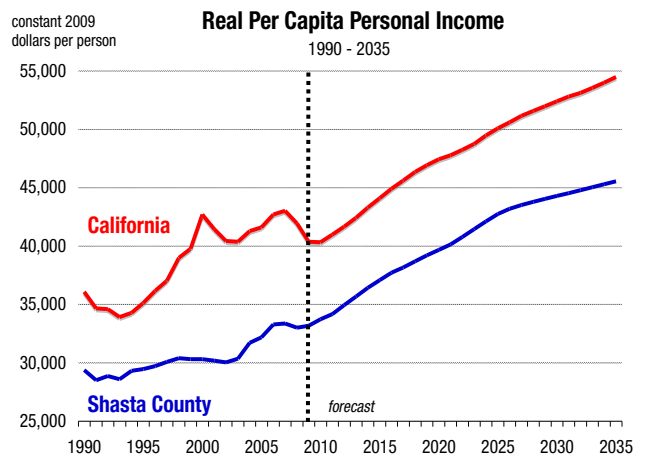
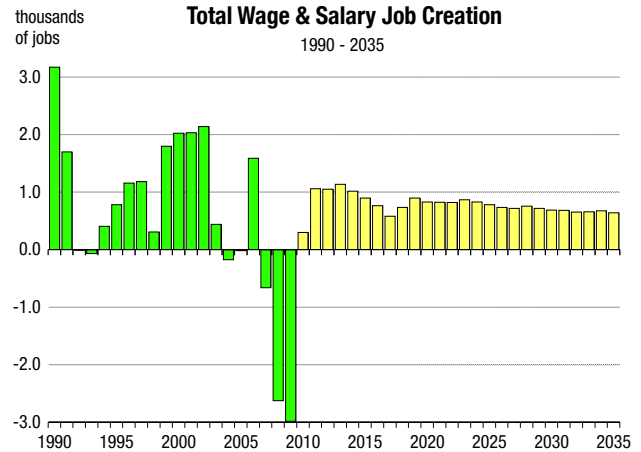
In 2009, 2,983 total wage and salary jobs were lost in Shasta County, representing a decline in employment of 4.7 percent. The farm sector grew by 33 jobs or 4.1 percent, and accounts for 1.4 percent of total wage and salary jobs. The unemployment rate increased to 15.5 percent in 2009.

The largest employment sectors in the county are retail trade, education and healthcare services, leisure/recreation services, professional services, and government. During 2009 jobs were created in the government (390 jobs), education and healthcare (110 jobs), and mining (25 jobs) sectors. The largest employment losses were in the construction (-1,150 jobs), retail trade (-820 jobs), and professional services (-490 jobs) sectors. Construction employment is now less than half what it was in 2006.

The population grew in Shasta County at a rate of 0.5 percent in 2009. The fastest growing city in the county was Anderson, which grew 2.1 percent between January 2008 and January 2009. Net migration in the county was positive last year, with an estimated 752 in-migrants.

FORECAST HIGHLIGHTS

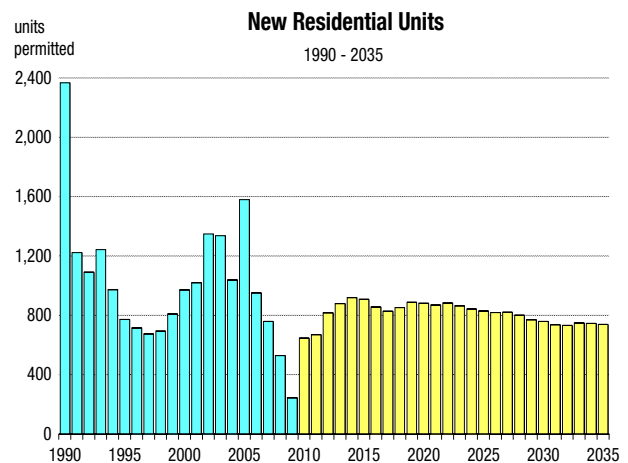
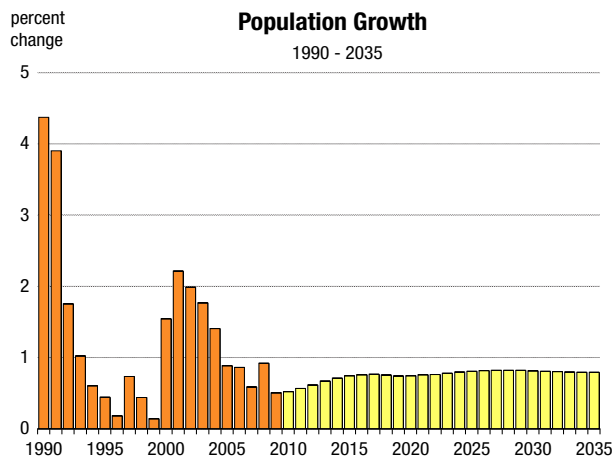
- Total wage and salary job growth is forecast to be 0.5 percent in 2010. From 2010 to 2015, total employment growth averages 1.7 percent per year.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the forecast period. Inflation adjusted salaries are expected to rise an average of 0.4 percent per from 2010 to 2015.
- Between 2010 and 2015, the principle job creating sectors will be construction, professional services, retail trade, government and transportation. These sectors will account for 75 percent of all jobs created in the county during this time. The only sector forecast to lose jobs over this time period is farm employment.
- Annual population growth in the 2010 to 2015 period averages 0.7 percent per year.
- Population growth through net-immigration is forecast to reach nearly 900 people in 2010. Over the next five years net migration is expected to average 1,200 net migrants per year. Net migration accounts for most of the expected population growth over the forecast.
- Real per capita income is forecast to increase 1.7 percent in 2010. Between 2010 and 2015 real per capita incomes are expected to rise an average of 1.9 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to increase at a rate of 1.2 percent in 2010. From 2010 to 2015 real taxable sales are forecast to increase by an average of 3.4 percent per year.
- Industrial production is forecast to increase 2.0 percent in 2010. Growth then accelerates between 2010 and 2015, averaging 3.9 percent per year. Growth is broad based, with all industrial sectors contributing to the sharp rise.



Shasta County Economic Forecast

2002-2009 History, 2010-2035 Forecast

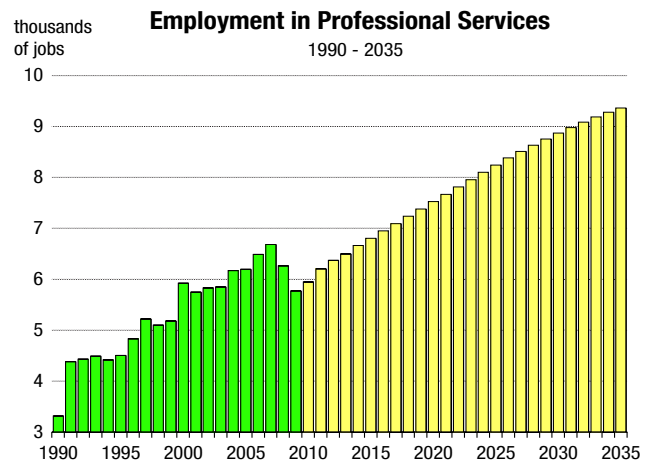
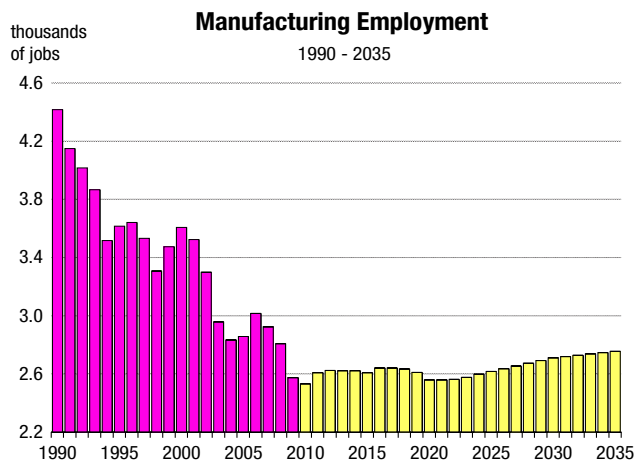
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2002	171,653	3,190	199.5	64.9	1,349	\$2.21	\$4.43	\$30,034	1.6	60.8	854.2	7.2
2003	174,692	2,915	200.4	66.1	1,338	\$2.38	\$4.64	\$30,357	1.8	62.0	852.0	7.6
2004	177,153	2,222	214.7	67.4	1,039	\$2.59	\$4.97	\$31,699	1.2	67.4	848.5	7.6
2005	178,724	1,410	216.8	68.2	1,581	\$2.80	\$5.19	\$32,177	2.0	71.2	935.6	7.3
2006	180,265	1,355	222.0	69.4	952	\$2.64	\$5.59	\$33,274	3.2	71.1	1032.3	6.6
2007	181,328	848	223.0	70.4	760	\$2.84	\$5.83	\$33,362	3.4	77.4	941.6	7.5
2008	183,001	1,440	219.6	71.1	530	\$2.64	\$5.99	\$32,996	3.0	74.6	881.6	10.1
2009	183,928	752	216.1	71.6	244	\$2.56	\$6.10	\$33,166	0.8	75.5	833.9	15.5
2010	184,891	877	214.3	72.1	647	\$2.64	\$6.37	\$33,734	2.1	75.4	850.5	15.9
2011	185,941	989	214.7	72.7	671	\$2.76	\$6.64	\$34,179	2.4	75.3	888.3	14.1
2012	187,089	1,105	216.1	73.3	818	\$2.91	\$6.98	\$34,928	2.1	75.1	932.1	12.1
2013	188,341	1,215	218.1	74.1	880	\$3.10	\$7.33	\$35,670	2.2	74.8	968.0	11.1
2014	189,683	1,307	220.3	74.9	920	\$3.29	\$7.70	\$36,417	2.2	74.5	999.3	10.0
2015	191,098	1,373	222.3	75.8	908	\$3.48	\$8.07	\$37,070	2.2	74.1	1030.8	9.4
2016	192,553	1,408	224.2	76.7	856	\$3.68	\$8.46	\$37,721	2.2	73.9	1066.7	9.0
2017	194,031	1,421	225.7	77.5	828	\$3.86	\$8.81	\$38,156	2.2	73.7	1095.6	8.9
2018	195,499	1,395	227.3	78.3	854	\$4.04	\$9.20	\$38,697	2.2	73.5	1125.4	8.8
2019	196,953	1,358	229.0	79.1	889	\$4.23	\$9.59	\$39,202	2.2	73.4	1153.9	8.6
2020	198,421	1,339	230.8	80.0	882	\$4.41	\$9.98	\$39,667	2.1	73.0	1181.6	8.5
2021	199,927	1,333	232.6	80.8	869	\$4.62	\$10.43	\$40,131	2.5	72.6	1216.3	8.5
2022	201,455	1,315	234.4	81.6	883	\$4.83	\$10.96	\$40,780	2.6	72.6	1253.5	8.3
2023	203,030	1,325	236.3	82.5	866	\$5.05	\$11.52	\$41,444	2.5	72.5	1293.7	8.2
2024	204,651	1,334	238.1	83.3	842	\$5.28	\$12.08	\$42,110	2.4	72.5	1339.3	8.1
2025	206,303	1,330	239.9	84.1	829	\$5.53	\$12.66	\$42,747	2.5	72.5	1385.3	7.9
2026	207,988	1,339	241.6	84.9	820	\$5.76	\$13.22	\$43,187	2.5	72.4	1433.1	7.9
2027	209,701	1,346	243.2	85.7	820	\$5.99	\$13.78	\$43,522	2.6	72.2	1482.9	7.7
2028	211,426	1,349	244.8	86.5	801	\$6.23	\$14.36	\$43,795	2.8	72.1	1535.0	7.6
2029	213,163	1,348	246.4	87.2	772	\$6.47	\$14.96	\$44,044	2.7	72.0	1588.9	7.4
2030	214,903	1,339	248.0	88.0	759	\$6.72	\$15.58	\$44,296	2.7	71.7	1645.1	7.2
2031	216,642	1,331	249.5	88.7	737	\$6.97	\$16.21	\$44,540	2.7	71.4	1703.4	7.0
2032	218,385	1,328	251.0	89.4	733	\$7.24	\$16.88	\$44,788	2.7	71.6	1763.5	6.9
2033	220,129	1,323	252.4	90.1	748	\$7.51	\$17.56	\$45,036	2.7	71.7	1825.5	6.8
2034	221,877	1,321	253.9	90.8	745	\$7.79	\$18.28	\$45,295	2.7	71.8	1889.5	6.8
2035	223,639	1,321	255.3	91.5	739	\$8.08	\$19.03	\$45,555	2.7	71.7	1955.4	6.7

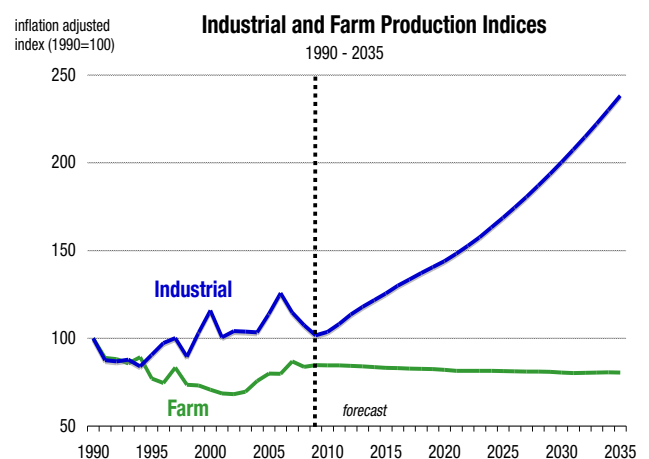
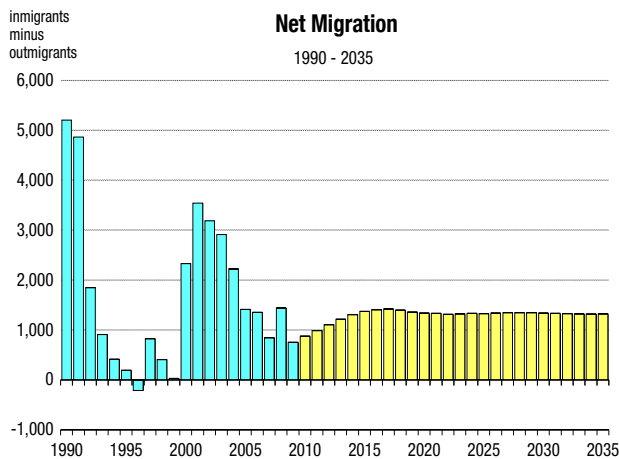
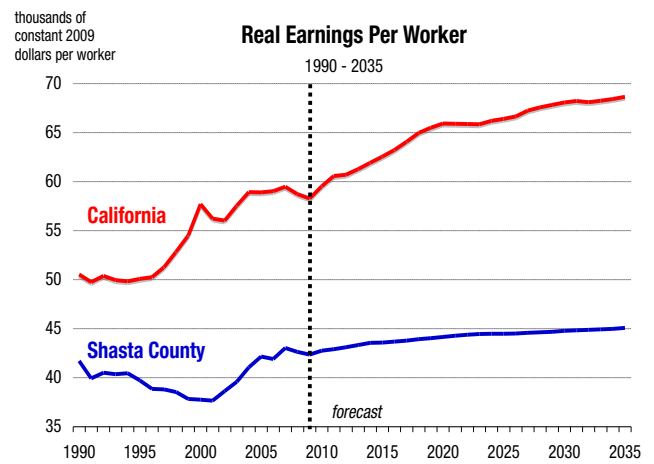
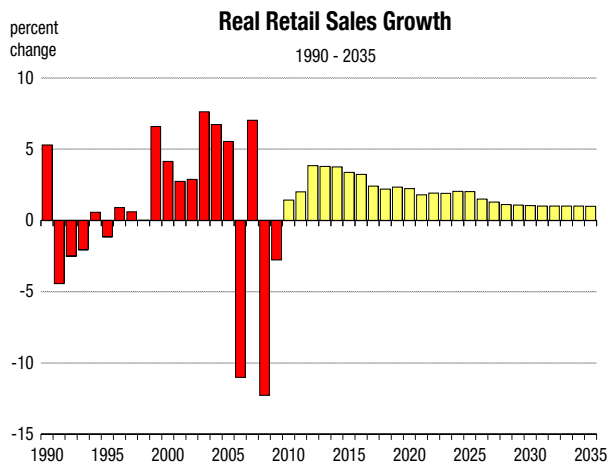


Shasta County Employment Forecast

2002-2009 History, 2010-2035 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	employment (thousands of jobs)											
2002	64.4	0.98	4.2	3.3	2.7	10.6	2.9	5.8	1.1	10.3	6.4	13.0
2003	64.8	0.85	4.5	3.0	2.4	11.1	3.2	5.9	1.2	10.5	6.6	12.6
2004	64.7	0.89	4.5	2.8	2.4	11.2	3.3	6.2	1.2	10.0	6.4	12.8
2005	64.6	0.79	4.6	2.9	2.5	11.4	3.3	6.2	1.0	9.7	6.4	13.0
2006	66.2	0.74	5.1	3.0	2.4	11.8	3.2	6.5	1.0	9.8	6.7	13.0
2007	65.6	0.78	4.5	2.9	2.3	11.7	2.9	6.7	0.9	10.0	6.9	12.9
2008	63.0	0.81	3.4	2.8	2.0	11.0	2.6	6.3	0.8	10.3	6.9	13.3
2009	60.0	0.84	2.3	2.6	1.8	9.9	2.6	5.8	0.7	10.4	6.7	13.7
2010	60.3	0.84	2.8	2.5	1.8	9.8	2.4	6.0	0.7	10.5	6.8	13.2
2011	61.3	0.84	3.4	2.6	1.9	9.8	2.4	6.2	0.7	10.6	6.8	12.9
2012	62.4	0.84	3.5	2.6	2.0	10.0	2.4	6.4	0.7	10.7	6.9	13.2
2013	63.5	0.84	3.8	2.6	2.1	10.2	2.4	6.5	0.7	10.8	6.9	13.4
2014	64.5	0.84	4.0	2.6	2.2	10.4	2.5	6.7	0.7	10.9	7.0	13.6
2015	65.4	0.84	4.1	2.6	2.3	10.6	2.5	6.8	0.7	11.0	7.0	13.8
2016	66.2	0.84	4.1	2.6	2.4	10.8	2.5	7.0	0.7	11.0	7.1	13.9
2017	66.8	0.83	4.0	2.6	2.5	10.9	2.6	7.1	0.7	11.1	7.2	14.0
2018	67.5	0.83	4.0	2.6	2.5	11.0	2.6	7.2	0.7	11.2	7.2	14.3
2019	68.4	0.83	4.0	2.6	2.6	11.2	2.6	7.4	0.7	11.3	7.3	14.6
2020	69.2	0.83	4.1	2.6	2.7	11.3	2.6	7.5	0.7	11.3	7.3	14.8
2021	70.1	0.83	4.2	2.6	2.8	11.5	2.6	7.7	0.7	11.4	7.4	15.1
2022	70.9	0.83	4.2	2.6	2.9	11.6	2.7	7.8	0.7	11.4	7.4	15.3
2023	71.8	0.83	4.2	2.6	3.0	11.8	2.7	8.0	0.7	11.5	7.5	15.5
2024	72.6	0.83	4.3	2.6	3.0	11.9	2.8	8.1	0.7	11.5	7.5	15.7
2025	73.4	0.83	4.2	2.6	3.1	12.1	2.8	8.2	0.7	11.5	7.6	15.9
2026	74.1	0.83	4.3	2.6	3.1	12.2	2.9	8.4	0.7	11.6	7.6	16.1
2027	74.8	0.83	4.3	2.7	3.2	12.4	2.9	8.5	0.7	11.6	7.6	16.3
2028	75.6	0.83	4.3	2.7	3.2	12.5	3.0	8.6	0.7	11.6	7.7	16.5
2029	76.3	0.83	4.3	2.7	3.3	12.6	3.0	8.8	0.7	11.7	7.7	16.7
2030	77.0	0.83	4.3	2.7	3.4	12.7	3.1	8.9	0.7	11.7	7.8	16.9
2031	77.7	0.83	4.3	2.7	3.4	12.9	3.1	9.0	0.6	11.7	7.8	17.1
2032	78.3	0.83	4.3	2.7	3.5	13.0	3.2	9.1	0.6	11.7	7.9	17.3
2033	79.0	0.83	4.4	2.7	3.5	13.1	3.2	9.2	0.6	11.7	7.9	17.6
2034	79.7	0.83	4.4	2.7	3.6	13.2	3.3	9.3	0.5	11.8	8.0	17.8
2035	80.3	0.83	4.4	2.8	3.6	13.3	3.3	9.4	0.5	11.8	8.0	18.0





County Economic and Demographic Indicators

Projected Economic Growth (2010-2015)

Expected retail sales growth:	17.9%
Expected job growth:	8.6%
Fastest growing jobs sector:	Construction
Expected personal income growth:	13.6%

Expected population growth:	3.4%
Net migration to account for:	96.5%
Expected growth in number of vehicles:	3.7%

Demographics (2009)

Unemployment rate (December)	15.9%
County Rank* in California (58 counties):	41st
Working age (16-64) population:	64.8%

Population with B.A. Degree or higher:	16.8%
Median Home Selling Price:	\$176,396
Median Household Income:	\$43,044

Quality of Life

Violent Crime rate (2008):	646 per 100,000 persons
County Rank* in California (58 counties):	51st
Average Commute Time to work (2009):	21.6 minutes

High School drop out rate (2008):	17.5%
Households at/below poverty line:	11.4%

* The county ranked 1st corresponds to the lowest rate in California